

CAI
Cf
-84N 12

Government of Canada
Ministry of Communications

Gouvernement du Canada
Ministère des Communications

THE NATIONAL FILM AND VIDEO POLICY



Francis Fox
Minister of Communications
May 1984



Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

<https://archive.org/details/31761115512675>



Government of Canada
Department of Communications

Gouvernement du Canada
Ministère des Communications

CAN
CP
-84N12

THE NATIONAL FILM AND VIDEO POLICY

**Francis Fox
Minister of Communications
May 1984**

© Minister of Supply and Services Canada 1984

Catalogue No. Co22-46/1984E

ISBN 0-662-13292-0



THE NEED FOR A COMPREHENSIVE APPROACH

For most of this century, movies have been widely acknowledged as a major force shaping popular culture in Canada and other western industrialized countries. With the advent of television in the late 1940s and early 1950s, moving images in film and video have become even more pervasive as a cultural influence. To an important degree, our sense of ourselves as a people is affected by what we see and hear at the cinemas and on television. **Even now, as we enter the 1980s, new delivery technologies, and the new distribution and exhibition modes they spawn, are significantly enhancing the power of the moving image as an agent of cultural change.**

Canada's film and video sector has its important cultural achievements. The National Film Board has been interpreting Canada to Canadians for 45 years and is now acclaimed throughout the world for its award-winning animation films and documentaries. The private sector has grown enormously since the mid-1960s and its work has included some productions of cultural significance to Canadians, as well as a number of commercial productions which have been of broad popular appeal. This still developing cultural industry also possesses a rising economic importance: it is labour intensive and constitutes a growth sector which governments around the globe now see as a significant focus of national economic and industrial strategies in the emerging information society.

Yet, both culturally and economically, the potential of the Canadian film and video sector remains unfulfilled. Very few Canadian productions reach the vast majority of Canadians, let alone audiences in other countries. This uncomfortable reality bodes ill as we enter a new technological environment in which the flood of foreign productions into Canada is rapidly swelling into a tidal wave. We face, in short, a cultural crisis of undetermined proportions. We face an economic challenge of unmeasured magnitude.

The opportunities, however, are just as great. The new technology presents Canadian producers with new and more powerful means to reach Canadians. The new distribution and exhibition modes also have a voracious hunger for content and are even now opening up new markets – and new sources of revenues – for the Canadian industry in this country and around the world.

The situation is pressing. Canada's film and video sector must be in a position to meet these challenges and seize these opportunities. The new environment is already upon us. The time for action is now.

This National Film and Video Policy represents an overall response to this new reality. It defines complementary roles for the public and private sectors in film and video, roles which reflect their evolution over the last three decades and are adapted to the new environment. It calls for positive and stimulative measures to strengthen the public and private sectors in all their manifestations – production, marketing, promotion, distribution and exhibition. Such a comprehensive approach is demanded by the intricate interdependence of the various activities carried out by Canada's film and video sector, an interdependence which is as fundamental as that now growing between the sector and our domestic broadcasting industry.

FROM BROADCASTING TO FILM AND VIDEO – THE VITAL CONNECTION

This National Film and Video Policy is fully co-ordinated with the important initiatives the Government of Canada has already taken in the broadcasting area. This synchronization is only proper, given that the content of television – the programs we all watch – are in many cases created by the same people who make movies and at the very least draw on the same reservoir of skills and resources. Alongside the traditional film producer has emerged the video producer, making programs for television or even newer modes of exhibition and distribution; often, the two producers are the same person.

In short, the two modes of production frequently seem like two sides of the same coin. The challenge, the basic policy imperative, has always been to assure that it is and will remain a Canadian coin.

On March 1, 1983, I announced the government's Broadcasting Strategy for Canada – a wide-ranging series of policies and initiatives to provide Canadians with greater program choice and make the Canadian broadcasting industry more competitive. This response to changing technologies and a new broadcasting environment recognized that, within a healthy and viable Canadian broadcasting system, Canadians expect as much choice in programming as technical, contractual and international arrangements enable them to receive. The strategy also acknowledged that "choice" for Canadians is meaningless unless it includes programming which reinforces the cultural heritage of all Canadians.

The government has now carried out many of the measures called for in the Broadcasting Strategy – and especially those which will have a direct impact on the growth of Canada's film and video industry. Most of these flow from one of the strategy's fundamental objectives: to make available to all Canadians a solid core of attractive Canadian programming in all program categories, through the development of strong Canadian broadcast and program production industries.

The most important of these initiatives was the establishment on July 1, 1983, of the Canadian Broadcast Program Development Fund, which in its first five years should inject an additional \$750 million in public and private money into the production of Canadian programming – to the considerable benefit of Canada's film and video production industry.

The strategy also called for special emphasis on measures to encourage the production and export of Canadian programming, and underlined the importance of co-production agreements with governments of other countries. Such agreements represent a useful way of obtaining high-quality productions which are competitive with U.S. productions, while sharing production costs with foreign producers and gaining entry to their markets. In the last few months, the Government of Canada has negotiated new co-production agreements, or agreed on expansions to existing ones, with the governments of Belgium, Spain, Italy and Israel; last year, three new co-production agreements were signed with France and more are now under discussion. Preliminary talks are also now under way with the United Kingdom and Australia.

The government's new role for the Canadian Broadcasting Corporation (CBC), announced last October, also contains significant benefits for Canada's independent producers. More work will flow to them as the CBC moves over five years to ensure that 50 per cent of its network programming (other than news, sports and current affairs) is provided by independent producers. The corporation is also expected to increase its Canadian content levels in peak hours on the national network to 80 per cent over five years.

In the last two years, Canadian pay television has become another source of investment and financing for Canadian producers. There is the promise of additional revenues, now that the Canadian Radio-television and Telecommunications Commission (CRTC) has licensed new Canadian specialty services called for by the Broadcasting Strategy.

This year, the CRTC also established a new definition of Canadian content to bring it into line with the definitions used to determine eligibility for the Capital Cost Allowance and support from the Canadian Film Development Corporation (CFDC). This new consistency will ease the task of finding financing for Canadian productions and thus ensure their greater availability on Canadian television.

The Broadcasting Strategy, along with these other policy initiatives, has set in motion a series of events which in time will change the face of Canadian television and open up important new opportunities for the Canadian film and video industry.

This National Film and Video Policy has been designed to magnify those opportunities. At the same time, it is critical to the fulfillment of the Broadcasting Strategy and to the maintenance of an identifiably Canadian broadcasting system. Only a strong Canadian film and video sector can assure that Canadians are able to receive a solid core of attractive Canadian programming in the coming decades.

A POLICY FOR THE FUTURE

The policy represents the first comprehensive response by the Government of Canada to the challenges and opportunities faced by this crucial film and video sector. Its basic objective is cultural – to bring to Canadians the productions of their artists in the film and video area.

It is the outcome of ongoing consultations over the past three years with the National Film Board and Canada's private film and video industry. It benefits from the views expressed by all Canadians on this subject to the Federal Cultural Policy Review Committee, as well as the recommendations and conclusions of the committee itself. It also reflects the recommendations of the House of Commons Standing Committee on Communications and Culture.

It is a policy which recognizes and builds upon the cultural achievements of the National Film Board and Canada's private film and video industry. It also acknowledges that the industry is a key growth sector in the context of the information revolution. It recognizes that, for both cultural and economic reasons, it is vital that Canada's film and video sector be in a position to seize the unprecedented opportunities of the new environment. It affirms that these opportunities can only be seized if the Canadian industry can compete with the rising flood of foreign film and video products entering Canada as a result of the new technologies, and can gain significantly greater access to audiences and revenues in our own domestic market. It recognizes too that there are definite limits to what the private sector can accomplish culturally and calls upon a more focussed and more effective public sector to make an even stronger contribution to Canadian cultural development.

The policy is positive and forward-looking rather than protectionist. The emphasis is upon a carefully co-ordinated series of stimulative initiatives to build up the strengths of Canada's film and video resources in both the private and public sectors – to assure that, among the wide variety of film and video productions available to Canadians, a strong Canadian option will be present.

In short, this comprehensive series of measures is designed to assure, in the film and video area, the projection of a strong and distinctively Canadian vision, both at home and abroad, into the 21st century.

NEW POLICIES

STRATEGIC OBJECTIVE

The Government of Canada's new National Film and Video Policy has one fundamental objective – to make available to all Canadians, in the new environment of the 1980s and 1990s, a solid core of attractive, high-quality Canadian film and video productions of all kinds through:

- a *public sector thrust* intended to assure a more focussed and more effective cultural and social role for the public sector – and, in particular the National Film Board – in the film and video area, and
- a *private sector thrust* intended to assure the economic development of a strong private Canadian film and video industry.

Though economic considerations are important to this policy, a basic cultural concern lies at its foundation – to ensure that all Canadians can share in a film and video culture which is distinctively Canadian.

The policy's dual thrust is deliberate and will have the effect of clarifying and rationalizing the roles of federal policy instruments in the film and video area. As a result, these policy instruments – particularly the NFB and the CFDC – will be able to carry out their respective functions with significantly greater efficiency and effectiveness.

The two thrusts are fully complementary. The public sector thrust calls for a stronger and more focussed National Film Board, as well as other measures to ensure that the public sector in film and video is significantly more effective in meeting those cultural and social needs of Canadians which cannot be served on a commercial basis. The private sector thrust will focus on assuring the economic growth of the Canadian-owned film and video industry and thus the greater availability of Canadian productions to Canadians.

Each thrust is also comprehensive in its domain, and together they address in a carefully co-ordinated fashion both the cultural and economic ramifications of the production, distribution, marketing and promotion of Canadian film and video productions, whether at home or abroad, by both private and public sectors.

Public sector thrust

Fundamental to this policy are measures to strengthen our public sector in film and video. Given that film and video are among the most powerful of all the influences on popular culture and that ever more foreign film and video products will be available to Canadians in the new environment, Canada's cultural integrity demands significant public involvement in the film and video area.

This public sector thrust is intended to ensure that, in the film and video area, important cultural and social activities are carried out within Canada, even when the commercial basis is not present for their conduct by the private sector. To this end, it defines a significantly clearer, more focussed and more effective role for the public sector.

This policy thrust places particular emphasis on the production by the public sector of high quality, distinctively Canadian film and video productions which reflect our bilingual, multicultural and regional reality and meet the distinctive cultural and social needs of minority and specialized audiences. It also calls for the increased distribution and exposure of identifiably Canadian film and video productions to Canadian and foreign audiences, as well as efforts to assure the preservation of Canadian productions and their continued access to Canadians in future.

In short, the public sector in film and video will be expected to play a unique and central role, different from and complementary to that of the private sector, in contributing to a vital Canadian cultural identity. In this endeavour, **the National Film Board of Canada (NFB) will have a critical role to play.**

Some observers believe that the role of the NFB – especially in production – should be diminished. The Government of Canada emphatically disagrees. Indeed, this public sector thrust is intended to give relief to the NFB and refocus its activities so that its role in production – and hence its cultural contribution – can be expanded.

The NFB – a synonym for excellence

Basically, this public sector thrust recognizes and builds on the very real strengths of an NFB which has been making a significant contribution to cultural life in Canada for 45 years and has become synonymous with film-making excellence around the world. Established in 1939 by the legendary John Grierson, the board quickly became a pioneer in documentary film-making and remains a world leader to this day. With the arrival of Norman McLaren shortly after it came into existence, the NFB began laying the foundations of its international reputation for imagination and innovation in animation – a reputation which is still evident today.

Since that time, NFB productions have appeared in 60 different languages and have won innumerable prizes at international film festivals. For example, in 1960, *Universe* won the jury's prize at Cannes for the exceptional quality of its animation, as well as 23 awards from other film festivals. *Blinkity Blank*, *City of Gold*, *Women on the March*, *Balablok*, *La faim (Hunger)*, *Zikkaron* and *J.A. Martin photographé* (*J.A. Martin, Photographer*) all won prizes at Cannes, as well as a large number of other important international awards. *Nobody Waved Goodbye*, *Grierson*, *Los Canadienses*, *Prologue* and *Sad Song of Yellow Skin* all won the prestigious Robert J. Flaherty Award of the British Academy of Film and Television Arts, as well as many other festival prizes, and these represent only a few of the international award-winning productions made by the NFB.

The U.S. Academy of Motion Picture Arts and Sciences has also recognized NFB achievements. This year, *Flamenco at 5:15* won an Oscar for the best short documentary, while *A Profession of Arms* from the *War* series received an Academy Award nomination. Throughout its history, the board has received an astounding 50 Academy Award nominations and won seven Oscars in addition to the one this year – for *Churchill's Island* in 1948, *Neighbours* in 1953, *Le Château de sable (The Sand Castle)* and *I'll Find a Way* in 1978, *Special Delivery* in 1979, *Every Child* in 1980 and *If You Love This Planet* in 1982.

All of these NFB award-winning productions were rooted in the Canadian experience and many involved powerful and occasionally searing explorations of Canadian cultural and social life. Many were done on low budgets through the NFB's regional offices, which contracted out much of the production work to free lancers.

A sense of social commitment, and a desire to articulate in film the perspectives of Canadians, have been central to much of the film-making at the NFB – especially in recent years at the board's Studio D, the only permanent women's film-making unit in the world. *Not A Love Story: A Film about Pornography*, a powerful and disturbing indictment of pornography is still stirring debate on this important issue. Other films, such as the *Working Mothers* series, *Loved, Honoured and Bruised*, *Home Feeling: Struggle for a Community* and *Mourir à tue-tête (A Scream from Silence)*, have also helped Canadians to re-examine major issues.

Studio D is building on and extending the NFB's ground-breaking work in the documentary area. In the 1970s, the Challenge for Change program, which grew out of the widely acclaimed *Fogo Island* series, pioneered the full involvement of the people in front of the camera in making a film in order to influence their social circumstances. Both built on the work of numerous NFB film-makers whose names have become synonymous with both excellence and innovation in the development of the documentary form.

The board's development of new film technologies, particularly in the area of animation, has also received considerable acclaim. The *Labyrinthe* at Expo 67 was heralded by many as the most exciting exhibit at the world's fair and inspired the large screen IMAX and OMNIMAX formats developed by a Canadian company and now selling all over the world. The NFB is now extending this advanced technology even further by making a 3-D IMAX film for Expo 86 in Vancouver.

A number of the feature films produced by the board have been critical and popular successes – notably *J.A. Martin photographe*, *Why Rock the Boat?* and *Le Temps d'une chasse (Once Upon a Hunt)*. Many regard *Mon oncle Antoine*, another NFB production, as one of the best Canadian features ever made.

This National Film and Video Policy acknowledges and builds upon the excellence and cultural importance of the NFB's achievements over the last 45 years.

A transformed environment and a new challenge

The policy also takes into account the many criticisms which have been levelled over the last few years at the NFB – despite its achievements. For example, the Federal Cultural Policy Review Committee went so far as to state: “The NFB’s share of the federal government’s resources for film cannot be justified if judged by the cultural benefits Canadians now receive from the NFB.” The committee recommended that the NFB eliminate almost all its production activity. Not a few members of Canada’s private film and video industry have described the NFB as an unfair competitor for markets and government support and argued for its disappearance. Many have pointed to the inability of the NFB’s distribution system to reach a larger Canadian audience and questioned its broader cultural relevance.

Neither I nor the Government of Canada believe that the NFB should be abolished or end its involvement in film and video production. But the environment in which the NFB operates has changed profoundly since its establishment in 1939 and even since its legislative mandate was last revised in 1950.

At that time, television was just emerging. Now we are in the midst of an explosion of new television programming services and home video possibilities. This new delivery technology provides the NFB with an important new opportunity to reach Canadians, but it is also making foreign film and video productions available to Canadians in ever increasing quantities. In order to meet this foreign cultural challenge, we need an even stronger and more innovative NFB.

The NFB’s environment has changed in other ways too. In 1951, the NFB was by far the largest producer of Canadian films in this country. That is no longer true because of the startling growth in Canada’s private film and video industry over the last 25 years. There is a clear need now for a re-evaluation of the NFB’s role, particularly as it relates to the private sector.

This National Film and Video Policy defines a key role for the NFB which fully complements that of the private sector. And, in doing so, the policy strengthens the NFB as a world-class producer and innovator in the art and science of film and video. It creates a more focussed and more effective NFB which is even more capable of projecting a distinctive Canadian vision – a vision of excellence – into the 21st century.

1. The NFB – a more focussed and effective mandate

The Government of Canada has approved a new, more focussed and more effective role for the NFB

- as a world-class centre of excellence in film and video production, and
- a national training centre for advanced research, development and training in the art and technology of film and video.

The basic business of the National Film Board is, quite simply, to strive for excellence in the production of quality films. The new role for the NFB is intended to ensure that it will be able to focus much more of its energy on that fundamental job and thus be able to do it even better.

The new role is positive and forward-looking: it calls for a significant restructuring of NFB activities and adapts the institution to the new environment in which it must operate. Most important, this new role builds on the existing strengths of the NFB – strengths which have emerged over the last 45 years – as a centre of excellence in the areas of production and research and development in film and video.

A world-class centre of production excellence: Since its establishment in 1939, the NFB has won an enviable reputation for production excellence, especially in the areas of documentary and animation. Though these successes have been rooted in a uniquely Canadian perspective, the board has in fact moved beyond its present statutory mandate to “interpret Canada to Canadians and to other nations.”

The Government of Canada intends changes in the NFB’s present mandate to give the board’s many achievements a solid legislative basis. Indeed, in future, the NFB will build on its strengths as a producer on the frontiers of artistic possibility and as an award-winning commentator on issues of major import to Canada and the world; its sensibility will, of course, remain, as it has been in the past, rooted in the Canadian experience.

In other words, the Government of Canada sees the NFB as fulfilling in film and video the role of literary and intellectual essayist – an instrument for the high-quality, in-depth, occasionally philosophic exploration of fundamental issues, trends and concerns of importance to Canada and the world. In this way, the NFB can fulfill a production role which clearly complements that of the private sector.

With more resources to perform this role as a result of the measures in this policy, the NFB will become even more a world-class centre of production excellence – a source of professional standards and a focus for interest, both in Canada and around the world.

A centre for advanced research, development and training in the art and technology of film and video: The NFB has long been in the forefront of research in the area of animation and is now doing advanced work in other areas. The board, however, only spends a very small percentage of its budget on research – even though in an age of rapid technological change there is a growing need for such research if the Canadian industry is to remain up-to-date.

For this reason, the Government of Canada is instructing the NFB to channel more of its energy and resources into research and development, as recommended by the Federal Cultural Policy Review Committee. As a research and development centre, it will work on the frontiers of film and video technology, such as IMAX, a Canadian large-screen film technology which is now successfully penetrating foreign markets. The centre will reach out to work in close co-operation with, and draw on the resources of Canada's private sector, universities, related federal agencies, provincial film and broadcasting bodies and government research centres such as the National Research Council and the Communications Research Centre.

Centres for advanced research and development inevitably assume a training role. Under this policy, the NFB will become a centre for training activities that extend and complement those of Canada's educational institutions. It will become a vital educational resource for aspiring film-makers of unusual talent and ambition, as well as experienced film artists seeking artistic renewal.

2. Significant changes at the NFB

As a vital step towards the full implementation of this new role for the NFB, I have instructed the NFB to prepare, and submit to me for approval, a five-year operational plan, with clear targets for implementation of this new role – including audience and programming targets – and involving:

- changes in NFB production activities,
- changes in NFB distribution activities, and
- reallocation of internal resources.

The implementation of this new role will involve a sweeping reorganization, restructuring, reallocation and reconstitution of NFB activities.

Changes in production activities: The NFB will emphasize quality productions, most of which will be systematically packaged not only for film but also for use by the new distribution and exhibition modes, while:

- contracting out most film-making work but retaining full creative and financial control as producer;
- contracting out to the private sector all production sponsored by federal departments and agencies, with the ultimate intention of transferring away this function;
- contracting out technical services of a commercial or industrial character; and
- transferring elsewhere its responsibilities in the areas of still photos and archives.

In keeping with its cultural and social role as a centre for production excellence, the NFB will emphasize quality productions and make significant changes in its activities in order to find the resources for this purpose. As a means of reaching greater audiences, it will also systematically package more of its productions for television and video in all their manifestations, while continuing to recognize the integrity of the film medium.

In order to reduce its own fixed costs, ~~the board will contract out for most film-making services to free lancers on an equitable basis between regions.~~ The board would remain the producer for all such productions and retain full creative and financial control. However, increased reliance on free lancers should free up significantly more resources within the board for actual production work. The board will retain an active film-making role in innovative areas such as animation, as well as a level of film-making activity sufficient to support its research, development and training role.

It is vital to the success of this policy that the NFB shed roles and activities which are extraneous to its essential cultural and social role. For this reason, the NFB will phase out over three years all in-house production of productions sponsored by federal departments and agencies, in favour of contracting these out to the private sector through its Sponsor Program Division. Ultimately, this function will be transferred to the Department of Supply and Services.

Similarly, as a means of ensuring that the NFB can focus as much energy and resources as possible on activities central to its new role, the board will contract out for technical services of a commercial or industrial nature, while retaining in house those technical services needed to support its research, development and training role. The board will also sell those technical facilities unnecessary for research, development and training purposes. The board will transfer the Canadian Government Photo Centre to the Department of Supply and Services. The NFB's stills photo collection will be transferred to the National Museums of Canada. Finally, all archival activities associated with the NFB film vault and library will be transferred to the Public Archives of Canada.

Changes in distribution and marketing: The NFB will place systematic emphasis on having its productions delivered via the new distribution and exhibition modes, thereby permitting it to continue the gradual consolidation of its library distribution system into larger regional centres.

Provincially-owned educational networks, the CBC, private television stations and networks, the new specialty programming services, new electronic delivery vehicles and home video – all these represent important additional means for the NFB to reach audiences, and the board should make systematic use of each of them. Indeed, as client demand dictates, the board should turn more and more from film to video formats.

This changed emphasis will permit the board to continue the gradual consolidation of its library-distribution system into larger regional centres. This will, however, not occur until the new delivery systems are in place so that there will be no inconvenience to local users. In fact, greater reliance on the new delivery technologies, as well as gains in efficiency and quality of service resulting from consolidation, will mean better service to users.

The NFB will concentrate on the international marketing and sale of its own productions and transfer to the CFDC its international offices and its responsibility for supporting the promotion of Canadian cultural products abroad.

Internal reallocation of freed resources: Through this restructuring of its activities, the federal government expects the National Film Board to free up, over five years, \$10 million in constant 1983 dollars, for reallocation into its operational budget to support production, as well as research, development and training activities.

The government believes that this restructuring of NFB activities, combined with a reallocation of NFB resources, will create a stronger NFB which is significantly more capable of making a vital contribution to Canadian cultural and social life, and to debate on fundamental issues around the world.

The transition will present a dynamic challenge. The NFB will shed activities which do not strengthen it in the performance of its critical cultural role in film and video production and innovation. The end result will be an NFB even more capable of doing what it already does best – creating productions of unassailable excellence and pioneering on the cutting edge of the future in film and video.

3. A new National Film Act

In order to ensure that the NFB's legislative mandate reflects the NFB's new role and is fully adapted to the new technological environment, the Government of Canada will introduce a new National Film Act which will:

- bestow Crown corporation status on the NFB,
- define new statutory objectives for the NFB,
- redefine "film" to include video,
- end NFB role as government's producer,
- replace Government Film Commissioner with a board chairman and president, and
- provide for a more representative board of trustees.

The NFB's legislative mandate in the National Film Act was last revised in 1950 and is now outmoded. A new Act will assist the NFB in fully implementing the new role defined in this policy and successfully meeting the challenges of the new environment.

Bestow Crown corporation status on the NFB: The New National Film Act will bestow Crown corporation status on the NFB, giving it the same independence from government in matters involving aesthetic judgement and freedom of expression as other federal cultural agencies such as the Canadian Broadcasting Corporation and the National Arts Centre. Until now, the NFB has had the same relationship to the government as other federal departments. By giving the NFB Crown corporation status the Government of Canada is reaffirming its commitment to the NFB's independence with respect to content.

Define new statutory objectives for the NFB: The new Act will define new statutory objectives for the board, reflecting its cultural and social role as a world-class centre of excellence in production and in advanced research, development and training in the art and technology of film and video.

Redefine "film": The new Act will define "film" to include the whole area of video production and distribution – activities which have become increasingly important to the NFB and which the old definition seems to preclude.

Abolish NFB's role as government's producer: The new Act will end the NFB's responsibilities with respect to all film and video productions sponsored by federal departments and agencies. The NFB will be able to focus more energy on fulfilling its responsibilities as a dynamic contributor to social and cultural life in Canada.

Replace Government Film Commissioner with board chairman and president: The new Act will eliminate the position of Government Film Commissioner as NFB head and substitute a part-time chairman of the NFB Board of Trustees and a full-time president who would be chief executive officer. Each will be appointed by the Governor in Council.

Under the present Act, the Government Film Commissioner is both the head of the NFB and the government's official adviser on film – an anomaly, given the number of federal agencies with clear expertise in the inter-related film, video and broadcasting areas. The separation of this senior post into two positions should also significantly improve the accountability of NFB staff to its board of trustees, and thereby contribute to the increased efficiency and effectiveness of NFB operations.

Allow greater representation from the film-making community: The new National Film Act will allow for greater representation from Canada's film-making community on the NFB's Board of Trustees.

4. Preserving the moving past

In order to ensure that Canadian film and video productions are preserved and remain accessible to Canadians now and in the future, the Government of Canada will increase the resources available to the National Film, Television and Sound Archives (NFTSA) Division of the Public Archives of Canada.

Because film and video have become such a major influence on popular culture in Canada, Canadian film and video productions have become as integral to Canada's heritage in the 20th century as paintings, sculptures and other works of art and historic importance. The preservation of Canadian film and video materials for future generations deserves as high a priority as preservation activity in other areas.

5. Captioning for the hearing-impaired

In order to improve access by the hearing-impaired to film and video productions, the Government of Canada will:

- provide resources for a CFDC captioning program, and
- reactivate the NFB distribution program for captioned productions.

Nearly 1.5 million Canadians have hearing problems that prevent them from grasping the audio portion of a television broadcast or feature film. The captioning of film and video productions – the screening of the words spoken in their sound-tracks – represents one of the simplest means of assuring their accessibility to the hearing-impaired.

Private Sector Thrust – Towards a Stronger Industry

A financially confident and economically viable Canadian film and video industry, with reasonable access to markets and revenues, will be in a much better position to seize on the potential commercial benefits of distinctively Canadian productions, as has been learned by the British, Australian and French industries. In short, the economic development of Canada's private film and video industry will also serve a larger cultural concern.

Within this broader cultural context, the policy's private sector thrust is intended to assure the financial viability and economic development of Canada's private film and video industry. The government has already taken important steps in this direction – particularly on behalf of the production sector – through the CFDC, the Canadian Broadcast Program Development Fund, co-production treaties and the Capital Cost Allowance for certified Canadian productions.

This private sector thrust calls for:

- further measures to improve the quality and commercial viability of Canadian film and video productions,
- measures to enhance the scope and effectiveness of federal support for the promotion and marketing of Canadian productions at home and abroad,
- the reaffirmation of a lead role for the CFDC in federal support to the private sector,
- measures to strengthen the long-term competitive capabilities of the Canadian industry, and
- a strategy to improve the access of Canadian film and video productions to domestic and foreign markets.

Taken as a whole, the initiatives in this private sector thrust address every aspect of the industry. Central to their success will be a close partnership of effort, and indeed continuing co-operation and consultation, between the public and private sectors.

Building a Canadian film culture – the private sector contribution

There are a number of reasons for supporting Canada's private film and video industry. One is that the industry, though still developing, has had some important cultural and commercial successes. In 1982, the top four Canadian features earned \$245 million in box office receipts within the North American market alone. The industry has also made a number of excellent and culturally significant movies reflecting the Canadian experience.

For example, *The Grey Fox*, which won the Canadian Genie Award for best picture in 1982, tells a Canadian story well and with cinematic brilliance, and experienced critical and commercial success both here and in the United States. *Ticket to Heaven* was also well received by critics throughout North America. *Maria Chapdelaine*, *The Tin Flute (Bonheur d'occasion)* and *Les Plouffe (The Plouffe Family)* vividly illuminated cultural symbols which have become central to Quebec life; all three received critical praise and played to capacity houses throughout the province.

The industry has also won international praise for some of its shorter films. *Boys and Girls*, a dramatic short funded in part through the CFDC and based on a story by Canadian author Alice Munro, won an Oscar as the best live action short of 1983. Several years earlier, the Canadian industry had won an Oscar for best documentary with *The Man Who Skied Down Everest*.

The industry has also made a number of features with attractive production values and broad appeal to audiences in Canada and abroad. *Porky's*, which has earned more money than any other Canadian film, is now the 16th largest grossing feature in world movie history. *Atlantic City* received five Academy Award nominations, including one for best picture, won numerous international awards – among them the Grand Prize at the Venice Film Festival – and also did very well at the box office, as was the case with the Oscar-winning *Quest for Fire* and *Heavy Metal*, to mention only a few. *The Terry Fox Story*, the winner of the 1983 Genie Award for best picture, is a well crafted film which has also achieved commercial success.

In the 1970s and 1980s, independent Canadian film-makers produced a number of excellent features which received good reviews and dealt with distinctively Canadian stories. For example, works such as *Les fleurs sauvages* (*Wild Flowers*) and *Les dernières fiançailles* (*The Last Engagement*) received considerable recognition in Europe for their remarkable auteur style. *The Apprenticeship of Duddy Kravitz*, based on the novel by Mordecai Richler, was a superb, amusing and moving depiction of a young Montrealer in the 1940s which received positive reviews and attracted strong audiences both in Canada and abroad. *Outrageous*, a gentle, moving and often wildly funny portrayal of life on the margin in Toronto, received critical praise throughout North America and delighted substantial audiences on the art-house circuit. The release of excellent and powerful films, such as *Red*, *Les mâles* (*The Men*), *La vie heureuse de Léopold Z* (*The Merry World of Léopold Z*) and *La vraie nature de Bernadette* (*The True Nature of Bernadette*), were all significant cultural events in France, as well as in Quebec.

Goin' Down The Road is now widely regarded as a Canadian classic and, when it came out in 1970, seemed to herald the coming of age of cinema in English Canada. *Les ordres* (*Orders*) provided a dramatic and chilling portrayal of the events of October 1970 in Quebec and won a prize at the Cannes Film Festival. *Why Shoot the Teacher?* and *Who has seen the Wind?* were well received by Canadian audiences and won critical acclaim for vividly and amusingly bringing to life the joys and vicissitudes of rural communities on the Prairies in the 1930s. *Wedding in White*, which chronicles the events leading up to a young girl's tragic marriage during the Second World War, is an outstanding film which is held by many to be one of the best Canadian films ever made. *Kamouraska*, a sumptuous and faithful adaptation of Anne Hébert's novel of the same name, played to packed houses, especially in Quebec. *Lies My Father Told Me* was an excellent film depicting the coming of age of a young Jewish boy in Montreal during the 1920s. It too was widely acclaimed.

The record is, in short, quite impressive. Canada's private film and video industry has made a number of features which are of high quality and culturally significant. But it is an industry whose potential remains unfulfilled. **Many of the readers of this booklet will recognize very few of the titles listed here. The reason is simple.** With a few notable exceptions, most of these productions received only a brief exposure to Canadian audiences; most were never exhibited in more than a handful of theatres in Canada or, consequently, any other country.

A developing industry of rising economic importance

The focus of this private sector thrust, Canada's private film and video industry, has grown significantly over the last 15 years, largely as a result of federal policies, and is gradually acquiring an increasing importance to the health of the Canadian economy as a whole.

Before 1968, the Canadian industry only produced about five or six features a year. Between 1968 and 1974, the first years of the Canadian Film Development Corporation (CFDC), the average number of Canadian features produced each year grew to 20. In 1979, five years after the establishment of the Capital Cost Allowance (CCA) for certified Canadian productions, the Canadian industry had 67 features certified, with a total dollar value of \$180 million. The innovative policies of some provincial governments have also contributed to this growth, and the Government of Canada encourages them to take an even more active role in future in this important policy area.

There are now more than 300 Canadian production companies – twice as many as in 1973 – and in 1981 about 30 of these had annual revenues of more than \$1 million. They can draw on a talented pool of skilled production personnel and can now field 25 professional feature film crews. The industry's total production capacity, according to its own estimates, is about 100 features a year. At least 13 Canadian studios have the staff and facilities to support productions of international calibre, and Canadian laboratories now have modern equipment and the capacity to process far more film than the Canadian industry now provides.

The industry is also a significant employer. In 1981, its production sector alone employed 10,000 free lancers – screenwriters, directors, performers, technical crews and others. The entire industry had 6,140 permanent and 10,193 part-time employees.

It is also more labour-intensive than almost any other industry in Canada. On average, the film and video industry has one employee for every \$36,000 in gross annual revenues. By way of comparison, the cable industry has one employee for every \$55,000 in gross annual revenues. For the 500 largest industrials in North America, the comparable figure is \$114,000. Because the Canadian film and video industry is so labour-intensive, measures to increase its economic strength represent a very cost-effective means of creating jobs – a fundamental priority in the 1980s.

It is also an industry of growing importance within the Canadian economy. In 1981, Canadians spent \$320 million to see films at Canadian theatres. This amount is large in itself and does not include the television, pay, video and foreign markets which are of rising significance to the industry and the Canadian economy in our emerging information economy.



Government of Canada
Department of Communications

Gouvernement du Canada
Ministère des Communications

SUMMARY

THE

NATIONAL

FILM AND VIDEO

POLICY



Francis Fox
Minister of Communications
May 1984

Canada

MAJOR INITIATIVES – A SUMMARY

STRATEGIC OBJECTIVE

The Government of Canada's new National Film and Video Policy has one fundamental objective ~~to make available to all Canadians, in the new environment of the 1980s and 1990s, a solid core of attractive, high-quality Canadian film and video productions of all kinds through:~~

- *a public sector thrust* intended to assure a more focussed and more effective cultural and social role for the public sector – and, in particular the National Film Board – in the film and video area, and
- *a private sector thrust* intended to assure the economic development of a strong private Canadian film and video industry.

PUBLIC SECTOR THRUST

The public sector in film and video will be expected to play a unique and central role, different from and complementary to that of the private sector, in contributing to a vital Canadian cultural identity. In this endeavour, **the National Film Board of Canada (NFB) will have a critical role to play.**

Basically, this public sector thrust recognizes and builds on the very real strengths of an NFB which has been making a significant contribution to cultural life in Canada for 45 years and has become synonymous with film-making excellence around the world.

1. The NFB – a more focussed and effective mandate

The Government of Canada has approved a new, more focussed and more effective role for the NFB

- as a world-class centre of excellence in film and video production, and**
- a national training centre for advanced research, development and training in the art and technology of film and video.**

The basic business of the National Film Board is, quite simply, to strive for excellence in the production of quality films. The new role for the NFB is intended to ensure that it will be able to focus much more of its energy on that fundamental job and thus be able to do it even better.

2. Significant changes at the NFB

As a vital step towards the full implementation of this new role for the NFB, I have instructed the NFB to prepare, and submit to me for approval, a five-year operational plan, with clear targets for implementation of this new role – including audience and programming targets – and involving:

Changes in NFB production activities: The NFB will emphasize quality productions, most of which will be systematically packaged not only for film but also for use by the new distribution and exhibition modes, while:

- contracting out most film-making work, but retaining full financial and creative control as producer;
- contracting out to the private sector all production sponsored by federal departments and agencies, with the ultimate intention of transferring away this function;
- contracting out technical services of a commercial or industrial character; and
- transferring elsewhere its responsibilities in the areas of still photography and archival activity.

Changes in NFB distribution activities: The NFB will place systematic emphasis on having its productions delivered via the new distribution and exhibition modes, thereby permitting it to continue the gradual consolidation of its library distribution system into larger regional centres.

Internal reallocation of resources: Through this restructuring of its activities, the federal government expects the National Film Board to free up, over five years, \$10 million in constant 1983 dollars, for reallocation into its operational budget to support production, as well as research, development and training activities.

3. A new National Film Act

In order to ensure that the NFB's legislative mandate reflects the NFB's new role and is fully adapted to the new technological environment, the Government of Canada will introduce a new National Film Act which will:

- bestow Crown corporation status on the NFB,
- define new statutory objectives for the NFB,
- redefine "film" to include video,
- end NFB role as government's producer,
- replace Government Film Commissioner with a board chairman and president, and
- provide for a more representative board of trustees.

PRIVATE SECTOR THRUST – TOWARDS A STRONGER INDUSTRY

A financially confident and economically viable Canadian film and video industry, with reasonable access to markets and revenues, will be in a much better position to seize on the potential commercial benefits of distinctively Canadian productions, as has been learned by the British, Australian and French industries. In short, the economic development of Canada's private film and video industry will also serve a larger cultural concern.

Within this broader cultural context, the policy's private sector thrust is intended to assure the financial viability and economic development of Canada's private film and video industry.

Canada's film and video industry is a key growth sector in the context of the information revolution. It must be in a position to seize the opportunities of the new environment. Already significant measures have been taken. The federal government's Broadcasting Strategy – and especially its export thrust – are already being implemented.

This National Film and Video Policy will significantly magnify those opportunities with measures to:

1. Strengthen Canadian production

Through the Canadian Broadcast Program Development Fund and the Capital Cost Allowance for certified Canadian productions, the Government of Canada has laid the foundations for a significantly stronger Canadian film and video production industry. Certain strategically important aspects of production still require attention, however. This National Film and Video Policy addresses these key areas and calls for increased resources to the Canadian Film Development Corporation (CFDC) to support:

- *script and project development, and*
- *bridge-financing to permit production before financing is finalized.*

2. Increase support for promotion and marketing of Canadian productions

The Government of Canada will provide support to increase the visibility of Canadian productions at home and abroad through:

- *a new CFDC program to support the test-marketing of Canadian productions by the private sector,*
- *a new CFDC program to support the promotion of Canadian productions in Canada,*
- *the provision through the CFDC of more effective and focussed support to Canadian film and video festivals,*
- *enhanced support through the CFDC for the promotion of Canadian productions in foreign markets, and*
- *new support to help reduce the financial risks of developing foreign markets, through the Program for Export Market Development.*

3. Reaffirm a lead role for Telefilm Canada

In light of the CFDC's lead role in carrying out the private sector thrust of this National Film and Video Policy, the Government of Canada will:

- *rename the CFDC "Telefilm Canada" because of its responsibilities for both video and film,*
- *provide an additional \$7.75 million a year for Corporation programs to serve the private sector.*

4. Build long-term competitive capabilities

In order to improve the long-term competitive capabilities – and, in particular, the business management, financial planning, technical and marketing skills – of the Canadian-owned film and video industry, the Government of Canada will:

- *target the Industry for assistance under the Interfirm Comparison Program,*
- *establish skills upgrading support for the industry, and*
- *provide additional resources for national service organizations serving the industry.*

5. Access to screens – the last hurdle

The private sector thrust of this National Film and Video Policy will strengthen the production capabilities of the Canadian industry. It will ensure that the industry is much better able to market and promote its productions at both home and abroad. It will build up the long-term competitive strengths of the industry, making it more capable of meeting the challenges of the new environment. But one fundamental problem still remains – making sure that Canadian productions can be seen by Canadian and also foreign audiences.

Simply put, it is a question of access – access to Canadian and foreign movie screens and access to the revenues from such screenings.

In Canada, well over 80 per cent of theatrical distribution revenues in 1981 went to foreign-owned distributors, most of them wholly owned subsidiaries of U.S. leisure industry conglomerates with major production studios in Hollywood. Of the revenues earned in 1981 in Canada by these companies – all of which are members of the Canadian Motion Picture Distributors Association (CMPDA) – less than one per cent came from distribution of Canadian features.

On average, Canadian-made features win only two per cent of the screen time in Canadian cinemas, with the remaining time devoted to foreign – mainly U.S. – ~~productions~~. Meanwhile, Canadian francophones are turning increasingly to English-language television and cinemas because of long delays in gaining access to dubbed or sub-titled versions of newly released foreign productions.

In most western countries, the film and video production industry sustains itself with revenues from the domestic market and, if the country is small, from foreign markets. ~~Canadian features on average account for only two per cent of the box office receipts from the Canadian theatrical market, and are rarely distributed outside this country.~~

Canada is not alone in facing the effects of domination by U.S.-owned distribution companies of its domestic theatrical market, though the experience has been more intense in Canada. The U.S. industry is dominant throughout the world and many countries have instituted restrictive and stimulative policies, usually in combination, to assure the health of a domestic film and video industry.

All of these options and others are, and will remain, available to the Government of Canada.

The U.S. industry now has unfettered access to Canada, the largest single foreign market for its product. The Canadian industry, which has a growing and increasingly sophisticated production capability, needs greater access to its own market and both American and world markets. A more co-operative relationship can be mutually beneficial.

On behalf of the Government of Canada, I have been authorized by Cabinet to negotiate with foreign-owned distributors operating in Canada – the member companies of the Canadian Motion Picture Distributors Association (CMPDA) – with a view to assuring:

- *greater access by Canadian productions to Canadian audiences through their domestic distribution systems,*
- *greater access by Canadian productions to the American market and other foreign markets through the worldwide distribution systems of these firms' parent companies,*
- *a greater proportion of the revenues from the Canadian theatrical market for Canadian-owned and controlled film production and distribution companies, and*
- *quicker access by Canadian francophone audiences to dubbed or sub-titled versions of newly released TV programs produced through the parent companies of CMPDA members.*

I shall be reporting back to Cabinet in six months on the progress of these negotiations. We are hopeful that a mutually satisfactory resolution can be reached. If not, the alternative approaches adopted in other jurisdictions will represent the only way out of the present unacceptable situation.

The challenge of the new technology

But these new opportunities are accompanied by stern challenges. By the 21st century, Canada's film and video industry will face a profoundly different environment. Indeed, the transformation is already well begun and it is at least as far-reaching as that precipitated by the advent of television in the early 1950s.

In the last 10 years, new communications, video and digital technologies have precipitated an information revolution which has propelled the movie industry into an environment characterized by sharp and continuing growth in the range and number of means available to deliver information and entertainment directly into the home. By creating alternatives to the traditional movie theatre, this transformation is engendering a radical realignment of the North American movie and communications industries, as well as unprecedented challenges and opportunities for the Canadian film and video industry.

The last six years have seen the rapid emergence of home video. Already, families in more than one in 10 Canadian households have home videocassette recorders to convert their TV sets into wholly viewer-responsive home entertainment centres. Video movies are now available not only in video stores, but in shopping centres and corner stores. The domestic distribution of video movies is mainly in foreign hands – often the hands of the same distributors controlling theatrical distribution in this country – and very few Canadian movies are available in video format.

This home entertainment revolution presents powerful new alternatives to the traditional cinema as a place to see movies and as a market for film and video producers. In fact, between 1977 and 1981, revenues from theatrical distribution in Canada fell from 62 to 54 per cent of total domestic distribution revenues. However, theatrical exhibition still represents the largest single source of distribution revenues and is still increasing in absolute terms. Equally important, as the first run at consumers, the movie theatre has a significant effect on the revenues a production may earn in subsidiary markets such as conventional television, pay-TV and video. This influence, however, is already beginning to decline because ever more features and mini-series are being made exclusively for conventional and pay-TV.

The fact of a profoundly shifting marketplace is not the only challenge which must be met by Canada. The new technology is opening up new channels for the swelling flood of foreign film and video products into Canada. Canada faces a real possibility of being culturally overwhelmed.

The government's broadcasting initiatives of the last two years will strengthen the Canadian production industry and guarantee prominence for Canadian programming on conventional and new TV programming services. But more support is needed if our relatively small and still developing film and video industry is to increase, or even hold, its small share of our domestic market in the face of this challenge.

This private sector thrust of the policy addresses this cultural and economic challenge.

A world of opportunity

Though the new technologies are confronting Canada's film and video sector with a significant challenge, they are also creating unprecedented cultural and economic opportunities.

The cultural opportunity is obvious. For both the private sector and the National Film Board, these new distribution and exhibition modes represent important new means of reaching Canadian audiences with Canadian productions. The cultural bonds of our nationhood are becoming, in short, increasingly electronic and increasingly effective.

The economic opportunity is also apparent. The new delivery modes have a vast hunger for content. The expanding array of broadcasters, narrowcasters, specialty service providers and videocassette and videodisc distributors must find movies, programs and entertainment to fill the ever growing number of channels and exhibition modes available in the home. There is, in short, a rising demand for film and video products in Canada and around the world.

The introduction of pay television in this country, as a result of government policies and CRTC decisions, has already precipitated a modest increase in domestic demand. As the Canadian pay industry stabilizes, that demand will no doubt rise, and it should increase even more as new Canadian specialty services find their market niches.

The new technology is also increasing the foreign demand for film and video products, opening up the markets of many other countries to Canadian productions. In the United States, for example, new pay television giants, such as Home Box Office, have emerged to challenge the traditional dominance of the major Hollywood studios and the three commercial television networks, and are seeking both in and outside the United States for programming to fill an ever increasing amount of air-time.

These new markets are already comparable in size to the theatrical market and are expected to grow rapidly over the coming decade. In 1982, box office revenues from U.S. commercial cinemas amounted to \$3.4 billion. In the same year, revenues from the pay and home video markets came to more than \$3 billion and are now expected to rise to almost \$21 billion by 1990.

Similar expansions are occurring in the markets of other countries. For example, Britain, France and Australia are all engaged in concerted efforts to expand their cable systems, initiatives already resulting in the availability of many more TV channels and thus a rising demand for film and video products from both domestic and foreign producers.

These technological developments are simply one facet of that sweeping, international movement often referred to as the "information revolution". This sea-change in the world economy is enhancing the importance to national economies of information products at the expense of manufactured products. Cultural products – including film and video products – represent a significant sub-category in this broad information field. This new reality has persuaded many states to regard the development of cultural industries as a necessary component of national economic and industrial strategies.

Canada's film and video industry is a key growth sector in the context of the information revolution. It must be in a position to seize the opportunities of the new environment. Already significant measures have been taken. The federal government's Broadcasting Strategy – and especially its export thrust – are already being implemented.

This National Film and Video Policy will significantly magnify those opportunities with measures to:

1. Strengthen Canadian production

Through the Canadian Broadcast Program Development Fund and the Capital Cost Allowance for certified Canadian productions, the Government of Canada has laid the foundations for a significantly stronger Canadian film and video production industry. Certain strategically important aspects of production still require attention, however. This National Film and Video Policy addresses these key areas and calls for increased resources to the CFDC to support:

- script and project development, and
- bridge-financing to permit production before financing is finalized.

Because the major competition for the Canadian industry comes from Hollywood, which is fed by a domestic market many times the size of Canada's, the Government of Canada believes some measure of support to the Canadian industry is required. Indeed, only with such support is it possible to ensure that Canadian film and video productions are attractive and possess internationally competitive production values – in short, are appealing to Canadian audiences and those abroad.

That is why the Government of Canada established the Canadian Broadcast Program Development Fund last July. In its first nine months alone, the fund provided \$30 million in public money to support Canadian program production and levered another \$130 million in investment from the private sector.

The 100 per cent Capital Cost Allowance (CCA) for certified Canadian film and video productions has stimulated considerable investment in Canadian feature films, as well as TV productions. Under the CCA, an investor in a certified Canadian production can deduct the capital cost of the investment from taxable income over two years. Since 1977, the CCA has helped stimulate some \$500 million worth of private investment in Canadian features and another \$200 million in Canadian shorts.

For eligibility under the CCA, a production must have a specified level of Canadian participation. In October 1983, the federal government amended the income tax regulations applying to the Capital Cost Allowance. The revision reduces from 20 to five per cent the proportion of the entire capital cost which an investor must contribute in a given taxation year in order to take advantage of the Capital Cost Allowance.

Taken together, the Canadian Broadcast Program Development Fund and the Capital Cost Allowance lay the financial foundations for the development of the Canadian film and video production industry. However, there are two areas of production activity which are strategically important and are not directly addressed by either the fund or the CCA.

This National Film and Video Policy calls for the allocation of increased resources to both these areas –

Increased resources for script and project development: The Government of Canada will increase, by \$1.2 million a year, the resources available to the CFDC to support script and project development by the private film and video industry. This allocation will increase by almost 90 per cent the resources available to the corporation for this purpose.

A good script is the heart and soul of a good film or video production; without a quality screenplay, neither the characters nor the story can come alive. But good scripts are not easy to write: they require skilled writers, extensive research, much consultation and usually many rewrites. The process of effective script development is as costly as it is demanding.

For this reason, it is not surprising that, in Canada and throughout the world, good scripts are difficult to find. The demand is increasing rapidly in Canada as a result of the establishment of the Canadian Broadcast Program Development Fund. The demand will rise even more quickly as a result of the other measures in this National Film and Video Policy.

Project development is equally vital to a successful production. It involves preparing budgets, securing directors and performers, finding technicians, seeking commitments from distributors and making ready the material needed to attract investors. Successful project development, as well as a promising script, is an essential precondition both for finding investors and being able to make use of the Canadian Broadcast Program Development Fund and the Capital Cost Allowance. Most Canadian producers lack sufficient resources on their own to carry out this activity with the thoroughness its importance demands.

The CFDC now provides producers with support for script and project development through its development program. The producers must match this support from their own resources. The support, which seldom exceeds \$100,000 a project, is normally repaid with interest and fees when production funds are raised. Funds are only advanced when a screenplay appears to have artistic and commercial merit, and the producer has assembled the necessary managerial, technical, artistic and marketing skills.

The program has been very successful and the policy calls for its funding to rise from \$1.4 million to \$2.6 million a year. In 1982-83, 72 scripts and projects received support under the program; with increased resources, this figure could almost double.

Renewal and enhancement of CFDC's Interim Financing Program: The Government of Canada has renewed the CFDC's Interim Financing Program (which would have expired in March 1984) and substantially increased the resources available to the CFDC for interim financing.

Under this program, the CFDC lends funds to producers to help them commence production while permanent financing is being finalized. While these funds are normally repaid with interest and fees when the permanent financing is in place, producers must demonstrate, in order to receive a loan, sufficient financial commitments to enable completion of the picture.

Traditional financial institutions generally lack the expertise to feel confident in assessing loan applications from the film and video production industry. For this reason and because it usually takes time to attract investors, the Interim Financing Program has filled an important gap. Similarly, the program has provided an important complement to the Capital Cost Allowance, permitting its more efficient use, and is now beginning to perform the same function for the Canadian Broadcast Program Development Fund.

Money for interim financing comes from a \$4 million fund which the federal government created for the CFDC in 1981 and which the corporation was expected to repay in March 1984.

As part of this National Film and Video Policy, the federal government has decided to waive this repayment obligation.

In addition, the government will allocate to the CFDC's Interim Financing Fund additional funds up to \$600,000 a year.

2. Increase support for promotion and marketing of Canadian productions

The Government of Canada will provide support to increase the visibility of Canadian productions at home and abroad through:

- a new CFDC program to support the test-marketing of Canadian productions by the private sector,
- a new CFDC program to support the promotion of Canadian productions in Canada,
- the provision through the CFDC of more effective and focussed support to Canadian film and video festivals,
- enhanced support through the CFDC for the promotion of Canadian productions in foreign markets, and
- new support to help reduce the financial risks of developing foreign markets, through the Program for Export Market Development.

Neither Canadian nor foreign audiences fully appreciate the achievements of the Canadian film and video industry; in many instances, unawareness is the norm. To a significant degree, the reason is that the Canadian-owned sector of our industry has lacked the resources to promote and market Canadian productions effectively, whether at home or abroad, especially in competition with the major U.S. distributors and Hollywood producers.

This policy calls for significant new support to the Canadian industry in the promotion and marketing of Canadian productions, whether at home or abroad. Altogether, these measures will have the effect of increasing by more than \$4.3 million – or 300 per cent – the amount of federal government money available each year to support promotional and marketing activities by the Canadian industry. Altogether, \$5.6 million in federal money will now be available to assist such activities.

This support will help make Canadian productions and the Canadian industry more competitive at home and abroad. Improved promotion and marketing will mean that Canadian productions will be able to attract larger audiences in Canada and elsewhere and thus be more appealing to future investors. Equally important, by making Canadians aware of Canadian productions, this promotion and marketing support should serve an important cultural objective – that of giving Canadians a greater opportunity to see Canadian film and video productions.

Domestic test-marketing program: The Government of Canada will establish a new program, to be administered by the CFDC, to provide contributions matching expenditures by the private sector on the test-marketing of Canadian theatrical features. New funding, in the amount of \$300,000 a year, will be available for this purpose.

Before general release, U.S. producers and distributors test-market their productions in selected cities – an exercise that allows them to refine their productions, as well as their marketing and promotional strategies, in light of public reaction. The Canadian industry has generally lacked the resources to use this important marketing tool, with the result that Canadian productions often face difficulties competing with their U.S. counterparts.

This new program will diminish that particular source of competitive disadvantage. As a result, Canadian productions should become significantly more attractive to distributors, both Canadian and foreign, not to mention audiences.

The program will also be completely responsive to the private sector's sense of market realities. No money will be available through the program unless the private sector is willing to put up a matching amount.

Domestic promotion and advertising program: The Government of Canada will establish a new program, to be administered by the CFDC, which will provide contributions matching direct expenditures by the private sector on prints and paid Canadian advertising required for the theatrical distribution in Canada of certified Canadian feature films. New funding, in the amount of \$1.7 million a year, will be available for this program, which should be able to provide support for about 20 Canadian features a year.

The major U.S. distributors now spend an amount equal to 40 per cent or more of a film's production costs on its promotion around the world. A large part of this money is spent in the United States, and the spill-over into Canada of American TV ads, newspaper ads and media coverage often swamps the promotional efforts for Canadian features in this country. At present, the Canadian sector of our film and video industry lacks the resources to compete with this kind of promotional blitz. Indeed, the Canadian industry often cannot afford the number of film prints needed to launch a feature in enough theatres to compete with a Hollywood film.

This program is intended to help rectify that imbalance. Because it involves matching contributions, it will be fully responsive to the private sector's perception of market realities.

Enhanced support for Canadian film festivals: The Government of Canada will increase its support for Canadian film festivals by \$600,000 a year through the granting program of the Film Festivals Bureau, which will be transferred to the CFDC. As a result, the federal funding available through this granting program will more than double – rising from \$350,000 to \$950,000 a year.

Canadian film festivals represent important venues for seeing and celebrating new Canadian film and video productions. For creators and other professionals they provide unique opportunities for meeting and exchanging ideas with their colleagues from Canada and around the world. Equally important, they are also key forums for business activity within the industry, attracting major players from all its sectors. As a result, festivals provide producers with opportunities to find investors and make deals for the domestic and foreign distribution of their productions. Festivals also provide important opportunities for the promotion of Canadian productions.

Montreal's Festival des films du monde, Toronto's Festival of Festivals and the Banff International Festival for Television are particularly important because they attract such significant participation from both the domestic and international industries.

Until now, Canadian film festivals have had to look to a variety of federal sources for funding. With the transfer of the Film Festivals Bureau granting program, festival organizers will be able to look to enhanced support from a single federal source, the CFDC.

More focussed support and promotion assistance in foreign markets: Through the CFDC, the Government of Canada will provide significantly more focussed support and promotional assistance in foreign markets for the Canadian industry, and in a manner which fully reflects the needs and concerns of the private sector. An additional \$1.9 million a year will be available to support these activities.

Given the relatively small size of our own market, international sales are vital if Canadian film and video productions are to provide an adequate return on their investors' dollars. Unprecedented opportunities are now emerging in these markets. With the multiplication of new distribution and exhibition modes because of recent technological advances, foreign distributors and exhibitors are now beginning to search beyond their borders for content.

In order to achieve greater coherence in, and ease of access by the industry to, government support in this area, the policy calls for a consolidation at the CFDC of many of the international activities carried out in the film and video area by the Department of Communications and the NFB. These CFDC services will be carefully co-ordinated with the trade promotion activities of the Department of External Affairs.

The federal government recognizes that private sector expertise is vital to success in the market-sensitive area of promotion, and any government assistance must be fully consistent with the needs and concerns of the private sector. In establishing and providing this new array of services, the CFDC will be expected to consult thoroughly with the industry and take its concerns fully into account. To this end, the CFDC will work closely with a special advisory committee chaired by the CFDC board chairman and composed of representatives from all sectors of the private industry, as well as from the public sector.

The exact range of services to be provided will be established after consultation with the private sector and will no doubt evolve as its needs change. However, the policy does specify certain types of services which might be provided:

- a variety of information services, including:
 - regular information on upcoming film festivals and markets,
 - national, international and trade press liaison and advertising,
 - information on the current activities of the Canadian industry,
 - access to a Canadian film and video industry data base,
 - information on market trends and analyses,
 - information on federal programs to assist the industry, and the distribution of promotional materials on Canadian productions;
- assistance in developing and arranging co-productions;
- co-ordination of Canadian participation in international festivals and markets;
- promotion of the Canadian film and video industry in all its elements; and
- liaison with the Program for Export Market Development of the Department of External Affairs.

A Program for Export Market Development more responsive to the film and video industry's needs: The Government of Canada has modified the Program for Export Market Development (PEMD), now administered by the Department of External Affairs, to make it more responsive to the needs and demands of Canada's film and video industry.

In the past, the Canadian-owned and controlled sector of the industry has, for the most part, lacked the resources to penetrate foreign markets. These markets are growing dramatically because of the new delivery technologies and the home entertainment revolution. The Canadian industry must be in a position to seize these opportunities.

Canadian film and video companies will be eligible under PEMD for financial support – including up to 50 per cent of the cost of penetrating a new market – to help defray the specific costs of:

- travelling to potential markets to identify export opportunities,
- participating in film festivals and markets outside Canada,
- bringing potential foreign distributors to Canada,
- undertaking studies on the feasibility of forming export consortiums, as well as forming and initially operating an export consortium,
- undertaking a study on the viability and best means of undertaking a sustained marketing effort in a foreign market, and
- implementing a sustained marketing effort in a foreign market as a result of such a study.

3. Reaffirm a lead role for Telefilm Canada

In light of the CFDC's lead role in carrying out the private sector thrust of this National Film and Video Policy, the Government of Canada will:

- rename the CFDC "Telefilm Canada" because of its responsibilities for both video and film,
- provide an additional \$7.75 million a year for corporation programs to serve the private sector.

As the federal agency with the most expertise in meeting the needs of Canada's film and video industry, the CFDC will play a lead role in carrying out the private sector thrust of this National Film and Video Policy.

A new name: In recognition of the CFDC's responsibilities in the area of video as well as film, the Government of Canada will introduce an amendment to the Canadian Film Development Corporation Act to rename the CFDC "Telefilm Canada".

The name, "Telefilm Canada", is more in keeping with the CFDC's new responsibilities for administering the Canadian Broadcast Program Development Fund and for providing promotional assistance to the Canadian industry at home and abroad, as called for by this policy.

Significantly increased resources: In order to carry out the measures called for in this National Film and Video Policy, the corporation will receive an additional \$7.75 million a year. The government will also waive the repayment obligation on the corporation's \$4 million Interim Financing Fund.

As already described, Telefilm Canada will use this increased funding to provide the private industry with:

- support to Canadian production through:
 - expanded resources for script and project development, and
 - a renewed and enhanced interim financing program; and
- support in promotion and marketing at home and abroad through:
 - a domestic test-marketing program,
 - a domestic promotion and advertising program,
 - support to Canadian film and video festivals, and
 - consolidated foreign promotion support and other services.

With Telefilm Canada assuming a lead role in carrying out these measures, their execution will occur in a manner which is fully responsive to the needs of the industry and will help lay the basis in film and video for projecting a strong Canadian vision into the 21st century.

4. Build long-term competitive capabilities

In order to improve the long-term competitive capabilities – and, in particular, the business management, financial planning, technical and marketing skills – of the Canadian-owned film and video industry, the Government of Canada will:

- target the industry for assistance under the Interfirm Comparison Program,
- establish a skills upgrading support for the industry, and
- provide additional resources for national service organizations serving the industry.

As with other developing industries, many of our domestically owned production and distribution companies need to strengthen their skills in business management, financial planning and marketing, as well as their technical capabilities. The acquisition of these basic business skills is often difficult for companies which are small by international standards.

It is especially important now that the Canadian industry expand its long-term competitive capabilities. The new technology is creating an increasingly challenging environment, while rapidly increasing the demand for film and video productions at home and abroad. The measures described below are intended to prepare the Canadian industry for this new environment by building up those enduring strengths which are vital to commercial success.

Expert advice through Interfirm Comparison Program: The Government of Canada will target the Canadian-owned film and video industry for assistance under the Interfirm Comparison Program.

The Interfirm Comparison Program, administered by the Department of Regional Industrial Expansion, provides free to individual firms in target industries expert advice on their profitability, productivity, performance measurement and overall competitiveness in the market place. In these and other areas, the program provides individual firms with a clear analysis of their strengths and weaknesses. Data and analysis on an individual firm can be used to demonstrate a company's strengths to potential investors and financial institutions, and in fact are sometimes requested by these institutions.

Canada's developing film and video companies would benefit significantly from such expert analyses of their strengths and weaknesses. These would lay the basis for building the long-term competitive capabilities needed to meet the challenges and seize the opportunities of the new environment.

Skills upgrading support for the Canadian industry: The Government of Canada will establish skills upgrading support for the Canadian film and video industry under the National Training Program.

This skills upgrading support, to be established under the National Training Program administered by the Canada Employment and Immigration Commission, will provide an important and necessary complement to the Interfirm Program in strengthening the competitive capabilities of the Canadian industry. While the Interfirm Comparison Program helps a firm identify its strengths and weaknesses, the skills upgrading support will provide concrete assistance in reducing these weaknesses and building on these strengths.

The program will be available to Canadian film and video producers, directors, distributors and laboratories and will be designed to help the industry:

- develop or acquire business, marketing and financial planning skills;
- develop the capabilities of its senior management;
- cope with a rapidly changing environment by broadening the business horizons of decision-makers;
- upgrade promotional and marketing skills for targeted foreign markets; and
- maintain the highest levels of technical skills in Canadian firms at a time of rapid technological change.

Skills upgrading in these areas should make the Canadian industry significantly more attractive to investors and financial institutions, as well as enhancing the job security of employees. More important, the program should lay the basis for the successful penetration of foreign markets – a vital necessity because of the relatively small size of the Canadian market.

Increased support for national service organizations: The Government of Canada will increase the funding available through the Department of Communications to national service organizations in the film and video area, such as the Academy of Canadian Cinema.

In film and video as in other industrial sectors, national service organizations perform a number of functions important to the health of the industry. They provide major forums for recognizing excellence within the industry and promoting its achievements. They provide opportunities for professional development, the exchange of marketing information, co-operation in market development and generic promotion of the industry as a whole. They also offer important services in the areas of script collection, research and documentation. Finally, they permit effective communication within the industry and between it and government, thereby providing important feedback on the degree to which government policies meet industrial needs.

Until now, national service organizations in the film and video area have received piecemeal support from a variety of federal agencies and departments, with the result that there has been a certain unpredictability in the level of their funding. Increased support, in the amount of \$300,000 a year, through a single department should permit them to plan better and fulfill more effectively their vital service and communications functions on behalf of the Canadian film and video industry.

5. Access to screens – the last hurdle

The private sector thrust of this National Film and Video Policy will strengthen the production capabilities of the Canadian industry. It will ensure that the industry is much better able to market and promote its productions both at home and abroad. It will build up the long-term competitive strengths of the industry, making it more capable of meeting the challenges of the new environment. But one fundamental problem still remains – making sure that Canadian productions can be seen by Canadian and also foreign audiences.

Simply put, it is a question of access – access to Canadian and foreign movie screens and access to the revenues from such screenings. In Canada as well as abroad, the gateway to audiences is largely controlled by U.S.-owned distributors. These are the wholesalers of the movie business – the middlemen between the producers who make the films and the exhibitors who own the theatres.

As well as limiting the access of Canadian productions to screens in Canada and other countries, these foreign gatekeepers constitute an imposing competitive presence to Canadian owned and controlled distribution companies. The government recognizes the difficulties faced by Canadian-owned distributors and that is why this private sector thrust calls for a number of measures which will have the effect of strengthening these companies. Telefilm Canada will provide support to Canadian-owned distributors through its new domestic test-marketing program and its new domestic promotion and advertising program, as well as providing more focussed support and promotion assistance in foreign markets. In addition, as a result of the policy, Canadian-owned distributors will be able to take advantage of the Program for Export Development, the Interfirm Comparison Program and new skills upgrading support under the National Training Program.

There remains, however, the problem of ensuring that Canadian productions appear on Canadian and foreign screens.

Foreign gatekeepers: “Those who control distribution control the cinema,” states an adage popular in the film industry both in North America and Europe.

In Canada, well over 80 per cent of theatrical distribution revenues in 1981 went to foreign-owned distributors, most of them wholly owned subsidiaries of U.S. leisure industry conglomerates with major production studios in Hollywood. Of the revenues earned in 1981 in Canada by these companies – all of which are members of the Canadian Motion Picture Distributors Association (CMPDA) – less than one per cent came from distribution of Canadian features.

The largest of these companies are Paramount, MGM-United Artists, Warner Brothers, Columbia, Universal and Twentieth-Century Fox and the subsidiaries bear the same names as their U.S. parents. Together, these are the dominant distributors of theatrical features around the world, and are now heavily involved in pay television in the United States, as well as the international distribution of video movies. However, Canada represents their largest single foreign market, and they have a larger share of the Canadian theatrical market than they do in any other industrialized nation.

In Canada, their subsidiaries distribute, for the most part, U.S. features made by the Hollywood studios which their parent companies own. *As a result, Canada in 1982 paid out \$140 million in royalties to foreign producers – mostly to the Hollywood studios. This money was unavailable to support production in Canada.* Though these royalty payments are shown as operating expenditures by foreign-owned distribution subsidiaries in Canada, they still earn substantial profits. In fact, their profits in 1982 came to \$40 million, which represented 23 per cent of their revenues – far higher than the profit levels for Canadian-owned and controlled distributors and significantly above those of Canada's broadcasting and cable industries. For the most part, the profits of foreign-owned distributors are not used to support Canadian production.

As already noted, it is the rare exception, rather than the rule, for these foreign-owned distributors to distribute a Canadian feature in Canada, let alone in foreign markets. These companies tend to view Canada as a component of the larger North American market and only handle features which will have commercial appeal in that larger market – a perspective which works against Canadian features such as *Who Has Seen the Wind?* and *The Tin Flute (Bonheur d'occasion)*. When these companies do decide to distribute a Canadian feature, they often give it only a limited release as a specialty film. Typically, a Hollywood feature opens in 40 theatres across Canada.

The dominant position of foreign-owned distributors in the Canadian market has clearly not worked to the benefit of either the Canadian-owned production or distribution industry. There are some important exceptions: *Porky's* and *Meatballs* were distributed both here and abroad by the foreign-owned industry, and some portion of the resulting revenues was channelled back into Canadian production. Generally, however, foreign-owned distributors, though they earn the lion's share of revenues from the Canadian theatrical market, have distributed very few Canadian productions either in this country or abroad, with the result that very few have reached theatrical screens and audiences.

Indeed, *as matters stand now, the U.S. distribution industry determines what Canadian productions are seen by Canadians. That is simply unacceptable.*

These foreign-owned distributors, who benefit so handsomely from the Canadian market, must in future use their considerable resources to distribute Canadian productions at home and abroad. In addition, a significantly greater proportion of the revenues from Canada's theatrical market must be made available to Canadian-owned production and distribution companies. The gatekeepers, in short, must open the gate to more Canadian productions, giving them access to domestic and foreign markets.

The crucial importance of access: There can be little doubt that access is one of the most critical issues facing us in the film and video area.

It is crucial in cultural terms. Given the power of film and video, there cannot help but be reason for cultural concern when, **on average, Canadian-made features win only two per cent of the screen time in Canadian cinemas, with the remaining time devoted to foreign – mainly U.S. – productions.** Meanwhile, Canadian francophones are turning increasingly to English-language television and cinemas because of long delays in gaining access to dubbed or sub-titled versions of newly released foreign productions. The Government of Quebec underscored the serious implications of this trend in its own policy statement on cinema.

The access issue is also critical in economic terms.

In most western countries, the film and video production industry sustains itself with revenues from the domestic market and, if the country is small, from foreign markets. A strong position in the domestic market is vital if the industry is to attract investors in future productions and if these are to have credibility with distributors who might handle them in foreign markets.

Canadian features on average account for only two per cent of the box office receipts from the Canadian theatrical market, and are rarely distributed outside this country. Clearly, it is absolutely vital for both cultural and economic reasons to ensure that Canadian features achieve significantly greater access to our domestic theatrical market. In addition, because of the relatively small size of the Canadian market, Canadian features must attain access to foreign markets if they are to provide their investors with a decent return, given the high costs of feature production.

Policies in other jurisdictions: Canada is not alone in facing the effects of domination by U.S.-owned distribution companies of its domestic theatrical market, though the experience has been more intense in Canada. The U.S. industry is dominant throughout the world and many countries have instituted restrictive and stimulative policies, usually in combination, to assure the health of a domestic film and video industry.

The only exception is the United States, though even there the Justice Department required the major U.S. production-distribution companies to divest themselves of their networks of movie theatres after a Supreme Court decision in 1948.

As is the case with Canada, most other countries set content requirements to ensure that domestic productions are aired on television.

A number of jurisdictions have introduced screen quotas to ensure that indigenous films receive a definite proportion of screen-time in domestic cinemas. For example, France requires that 50 per cent of the screen-time in domestic theatres be devoted to French films. In December 1983, Spain introduced quotas requiring, within each four-month period, the devotion of one day to Spanish films for every three days of dubbed foreign films in Spanish cinemas. Brazil requires that 140 days a year be devoted to Brazilian films, while the United Kingdom operated a system of screen quotas for 56 years. In most of these countries, the screen quotas also involved a requirement for theatres to screen domestic short films.

A number of countries tax theatre admissions, in effect employing revenues raised in large part from the screening of U.S. films to support the domestic industry. These include the United Kingdom, France, Italy, West Germany, Brazil, Sweden and Spain. In France, this tax on theatre tickets rises significantly for "X"-rated films and for exhibitors who do not meet the 50 per cent quota for domestic films. In Italy, exhibitors receive a partial exemption from the box office tax if they show domestic productions.

All of these options and others are, and will remain, available to the Government of Canada.

Negotiation – the preferred solution: Though these options are still available, they are less favoured by me and the Government of Canada. They would clearly have the effect of limiting the range of viewing choice available to Canadians. And, as stated in our Broadcasting Strategy and new CBC policy, choice in our view is the watchword of the future. We believe, in short, that Canadians should be able to choose among the best the world has to offer.

We also believe, however, that choice becomes meaningless if Canadians cannot choose a Canadian option. That is why this policy calls for a carefully co-ordinated and comprehensive series of positive, stimulative measures to strengthen the Canadian industry. That is why we are determined to ensure that Canadian productions are seen by Canadians, as well as people in other countries.

At present, Canada and the United States have a free market in theatrical features. We must find a solution which is consistent with the usual approach taken in sectoral free trade when one of the partners is in a dominant position. In such circumstances, it is usual to assure protection for the smaller partner and a fair exchange of benefits.

The U.S. industry now has unfettered access to Canada, the largest single foreign market for its products. The Canadian industry, which has a growing and increasingly sophisticated production capability, needs greater access to its own market and both American and world markets. A more co-operative relationship can be mutually beneficial.

On behalf of the Government of Canada, I have been authorized by Cabinet to negotiate with foreign-owned distributors operating in Canada – the member companies of the Canadian Motion Picture Distributors Association (CMPDA) – with a view to assuring:

- greater access by Canadian productions to Canadian audiences through their domestic distribution systems,
- greater access by Canadian productions to the American market and other foreign markets through the worldwide distribution systems of these firms' parent companies,
- a greater proportion of the revenues from the Canadian theatrical market for Canadian-owned and controlled film production and distribution companies, and
- quicker access by Canadian francophone audiences to dubbed or sub-titled versions of newly released TV programs produced through the parent companies of CMPDA members.

I shall be reporting back to Cabinet in six months on the progress of these negotiations. We are hopeful that a mutually satisfactory resolution can be reached. If not, the alternative approaches adopted in other jurisdictions will represent the only way out of the present unacceptable situation.

PROJECTING THE CANADIAN VISION

Moving images in film and video are one of the major forces shaping our popular culture and thus our identity as a nation. In Canada for many years, most of those images have been foreign in origin and, given the capacity of the new delivery technology to leap over national boundaries, the trend is towards an even stronger foreign incursion.

The starting point for this National Film and Video Policy is, quite simply, that there must be a much stronger Canadian presence on our cinema and television screens. Its basic approach is positive and stimulative rather than protectionist.

The fundamental strategic approach is dual – involving a private sector thrust and a public sector thrust. Taken together in conjunction with the government's Broadcasting Strategy, these two thrusts address in a complementary, co-ordinated and comprehensive fashion all aspects of film and video production, distribution, marketing and promotion in the private and public sectors of the Canadian industry. The policy also calls for major restructuring, reorganization and reallocations among federal policy instruments in the film and video area.

These changes will have the effect of readying Canada's film and video sector to meet the cultural and economic challenge of the new environment. They will also position it to seize the unprecedented opportunities of this new environment. The voracious hunger for content of the new distribution and exhibition modes is opening up promising new markets in Canada and around the world.

The policy's private sector thrust is intended to place the Canadian-owned sector of our private film and video industry in a position where it can seize these opportunities. Its call for negotiations by the Minister of Communications with foreign-owned distributors operating in Canada addresses a fundamental issue facing the Canadian industry – that of assuring significantly greater access by Canadian productions and Canadian-owned companies to the Canadian market as well as foreign markets. The private sector thrust also contains important new initiatives to strengthen the promotion and marketing of Canadian productions at home and abroad, as well as measures to build the long-term competitive capabilities of the Canadian-owned industry. The lead role in carrying forward this private sector thrust will belong to an enhanced CFDC (now renamed Telefilm Canada). And, underlying all the activities of Telefilm Canada will be the simple reality that Canada's private film and video industry must become financially viable and economically confident if it is to increase its contribution to cultural life in Canada.

The policy's public sector thrust is intended to ensure that film and video make a significant contribution to Canadian cultural and social life, even in areas where the commercial basis is limited. The heart of the public sector in film and video is, of course, the National Film Board, and the policy calls for a new, more focussed and resonant role for the board – as a world-class centre of production excellence and as a centre for advanced research, development and training in the art and technology of film and video. In order to make this new role a reality, the policy calls for a new National Film Act and significant reallocations of resources within the board, as well as far-reaching changes in its production and distribution activities.

Taken together, the initiatives contained in this National Film and Video Policy address both the long-standing problems and the present challenges and opportunities facing Canada's film and video industry. In short, these measures lay a firm basis in both the private and public sectors for assuring that the industry will be able to project a strong Canadian vision through the 1980s and 1990s and into the 21st century.

3 1761 11551267 5

